



General Assembly

February Session, 2010

Raised Bill No. 5394

LCO No. 1314

* ____HB05394APP__032910____*

Referred to Committee on Appropriations

Introduced by:
(APP)

***AN ACT INCREASING THE AMOUNT OF UNAPPROPRIATED
SURPLUS DEPOSITED IN THE BUDGET RESERVE FUND.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 4-30a of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2010*):

4 (a) After the accounts for the General Fund have been closed for
5 each fiscal year and the Comptroller has determined the amount of
6 unappropriated surplus in said fund, after any amounts required by
7 provision of law to be transferred for other purposes have been
8 deducted, the amount of such surplus shall be transferred by the State
9 Treasurer to a special fund to be known as the Budget Reserve Fund.
10 When the amount in said fund equals [ten] fifteen per cent of the net
11 General Fund appropriations for the fiscal year in progress, no further
12 transfers shall be made by the Treasurer to said fund and the amount
13 of such surplus in excess of that transferred to said fund shall be
14 deemed to be appropriated to the State Employees Retirement Fund, in
15 addition to the contributions required pursuant to section 5-156a, but
16 not exceeding five per cent of the unfunded past service liability of the

17 system as set forth in the most recent actuarial valuation certified by
 18 the Retirement Commission. Such surplus in excess of the amounts
 19 transferred to the Budget Reserve Fund and the state employees
 20 retirement system shall be deemed to be appropriated for: (1)
 21 Redeeming prior to maturity any outstanding indebtedness of the state
 22 selected by the Treasurer in the best interests of the state; (2)
 23 purchasing outstanding indebtedness of the state in the open market at
 24 such prices and on such terms and conditions as the Treasurer shall
 25 determine to be in the best interests of the state for the purpose of
 26 extinguishing or defeasing such debt; (3) providing for the defeasance
 27 of any outstanding indebtedness of the state selected by the Treasurer
 28 in the best interests of the state by irrevocably placing with an escrow
 29 agent in trust an amount to be used solely for, and sufficient to satisfy,
 30 scheduled payments of both interest and principal on such
 31 indebtedness; or (4) any combination of these methods. Pending the
 32 use or application of such amount for the payment of interest and
 33 principal, such amount may be invested in (A) direct obligations of the
 34 United States government, including state and local government
 35 treasury securities that the United States Treasury issues specifically to
 36 provide state and local governments with required cash flows at yields
 37 that do not exceed Internal Revenue Service arbitrage limits, (B)
 38 obligations guaranteed by the United States government, and (C)
 39 securities backed by United States government obligations as collateral
 40 and for which interest and principal payments on the collateral
 41 generally flow immediately through to the security holder.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2010</i>	4-30a(a)
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APP *Joint Favorable*